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**LOUISIANA COUNCIL FOR ECONOMIC EDUCATION**

**COMPILED FINANCIAL STATEMENTS**

RECEIVED  
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**FOR THE YEAR ENDED June 30, 2006**

**TERENCE P. BRADFORD, SR.**

**CERTIFIED PUBLIC ACCOUNTANT**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/24/07

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**TERENCE P. BRADFORD, Sr.**

**Masters of Business Administration, Certified Public Accountant**

**1409 South Lamar St. Apt.201**

**Dallas, Tx. 75215 Phone: (214) 421-3471 Email: TBradCPA@msn.com**

**ACCOUNTANT'S REPORT**

To The Board of Directors of the

Louisiana Council For Economic Education

Baton Rouge, La.

I have compiled the accompanying statement of financial position of the Louisiana Council For Economic Education (LCEE) as of June 30, 2006, and the statements of activities, functional expenses and cash flows for the year then ended, in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the accrual basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and , accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Government Audit Guide and the provisions of state law, I have issued a report, dated October 19, 2007 on the results of our agreed-upon procedures.

Terence P. Bradford, Sr.

Certified Public Accountant

October 19, 2007

*Terence P. Bradford, Sr. CPA*

LOUISIANA COUNCIL FOR ECONOMIC EDUCATION  
STATEMENT OF FINANCIAL POSITION  
JUNE 30,2006

ASSETS

Cash	\$ 26,979.79
Accounts Receivable	9,119.00
Furniture and Equipment (net of accumulated depreciation)	<u>7,821.00</u>

Total Assets	<u>\$ 43,919.79</u>
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LIABILITY

Loan Payable	\$ 23,970.48
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NET ASSETS

Unrestricted	19,949.31
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Total Liabilities and Net Asset	<u>\$ 43,919.79</u>
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See accompanying notes and accountants report.

LOUISIANA COUNCIL FOR ECONOMIC EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2006

	Unrestricted
REVENUES, AND OTHER SUPPORT	
Contributions	\$ 28,520.75
State Grant	74,437.00
Other Grants	22,690.87
Program Fees	<u>5,330.25</u>
TOTAL REVENUES, AND OTHER SUPPORT	<u>130,978.87</u>
EXPENSES	
Program Services	95,943.83
Supporting Services	11,029.25
TOTAL EXPENSES	106,973.08
CHANGE IN NET ASSETS	24,005.79
NET ASSETS AT BEGINNING OF YEAR	(4,056.48)
NET ASSETS AT END OF YEAR	<u>\$ 19,949.31</u>

See accompanying notes and accountants report.

LOUISIANA COUNCIL FOR ECONOMIC EDUCATION  
 STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED JUNE 30,2006

STATEMENT OF FUNCTIONAL EXPENSES

	Program Services	Supporting Services Management & General	Report Total
Salary Expense	\$ 54,907.61		\$ 54,907.61
Operating Expense	-	9,452.98	9,452.98
Contract Labor	12,156.18		12,156.18
Rent Expense	-	385.02	385.02
Depreciation	-	500.00	500.00
Miscellaneous	-	691.25	691.25
Meetings	5,195.30		5,195.30
Equipment	1,116.19		1,116.19
Stock Market Game	1,467.99		1,467.99
Coordinator Salary	9,000.00		9,000.00
Workshop Expense	8,811.03		8,811.03
Travel	3,289.53		3,289.53
<b>Total</b>	<b>\$ 95,943.83</b>	<b>\$ 11,029.25</b>	<b>\$ 106,973.08</b>

See accompanying notes and accountants report.

LOUISIANA COUNCIL FOR ECONOMIC EDUCATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30,2006

Cash Flows from Operating Activities:

Change in net assets	\$ 24,005.79
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	500.00
Decrease in operating assets:	
Accounts Receivable	9,119.00
Prepaid Expense	(167.00)
Increase (decrease) in operating liabilities:	

Net Cash used in operating activities

Cash Flows from Financing Activities:

Net Increase in Cash and Cash Equivalents	14,553.79
Cash at Beginning of Year	12,426.00
Cash at End of Year	<u>\$ 26,979.79</u>

See accompanying notes and accountants report.

Louisiana Council for Economic Education

Notes To The Financial Statements

Note 1- Background:

Louisiana Council for Economic Education (LCEE) is a not-for-profit organization located in Baton Rouge, La. LCEE's mission is to provide teachers with easily understandable instruction in useful economic concepts and analytical tools, and improve teacher and school access to Economics America's economic education instructional materials. Results of these activities will help prepare K-12 students to meet the economic benchmarks in the Louisiana Social Studies Content Standards and to become productive members of the workforce, responsible citizens, knowledgeable consumers, prudent savers and investors, effective participants in the global economy, and competent decision makers throughout their lives.

Note 2- Summary of Significant Accounting Policies:

Income Taxes

LCEE is exempt from paying corporate income taxes under Section 501(c) (3) of the Internal Revenue Code.

Basis of Accounting

The accompanying financial statements are presented using the accrual basis of accounting.

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No.117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, LCEE is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, LCEE considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.



## Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. The assets donated to LCEE were donated without restriction.

## Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## Note 3-Furniture and Equipment

Furniture and equipment is recorded at estimated fair market value at date of donation or at cost if purchased. Depreciation is computed on the straight-line method and is based on expected useful lives ranging from three to 10 years.

## Note 4-Education Grant:

The grant received from the State Department of Economic Development by LCEE provides funds for administrative, operational, and instructional services to help facilitate the planning, coordination, and performance of statewide economic education activities of the Louisiana Council for Economic Education office and the eight university and college based Centers for Economic Education.

#### Note 5-Contingency

LCEE is a recipient of the Economic Education grant awarded by the Louisiana Department of Economic Development. This grant is governed by the State awarding agency. The administration of this grant is under the control of LCEE and is subject to an audit and/or a review by the Legislative Auditor. Any funds found to be not properly spent in accordance with the terms and condition of the grant may be subject to recapture.

#### Note 6-Program Fees

Program fees consist of fees charged for workshops and seminars LCEE sponsors to teach math and economic concepts to teachers and students in grades 4 to 12. Information is mailed to public and non-public schools prior to the start of school.

#### Note 7-Loan Payable

Loan payable consist of a \$32,250 non-interest bearing loan made to LCEE by an former employee (Nancy Sidener) in 2002. LCEE makes quarterly payments to Ms.Sidener, as of June 30, 2006 \$8,280 as been repaid. No payments were made during fiscal year 2006, because under the agreement with LCEE and Ms. Sidener, funds are paid to Ms. Sidener based on a percentage of excess unrestricted funds. As of June 30, 2006 there were no available to make any payments on the loan.

#### Note 8- Findings of Noncompliance

LCEE did not comply with state law which requires that the compilation/attestation report to be filed within six months of the close of the fiscal year.

SCHEDULE OF FINDINGS

1. LCEE did not comply with state law which requires that the compilation/attestation report to be filed within six months of the close of the fiscal year, December 31, 2006.

**REPORTS BY MANAGEMENT**

MANAGEMENT'S CORRECTIVE ACTION PLAN  
ON CURRENT YEAR FINDINGS

Compliance Matters

1. See Management Letter attached.

# Louisiana Council for Economic Education

THE Stock Market Game™ AND EconomicsAmerica PROGRAMS

Sheri Lazare\*  
LCEE President/CEO

## Board of Directors

Michele Avery  
Annette Ballard  
George Bausewine  
Patrick W. Bell  
Dr. Raymond Brady  
Dr. Nikki Bray-Clack  
Judy Day  
Marilyn DeGrasse  
Fritz Embaugh  
Alfred Liggans  
Jessica Mizell  
Hillary Moore  
Frances Nelson  
Gail K. Psilos\*  
John Ragsdale  
Garth Roberts  
Theodore Sanders  
Ed D. Shanklin  
Nannette M. Smith  
Honorable C. Hearn Taylor  
Michael S. Todd

## Economic Education Centers

Dr. Harold Christensen\*  
Center Representative  
Centenary College

Marcy Misik\*  
Center Representative  
McNeese State University

David Faerber  
SMG Coordinator



Affiliated with  
National Council on  
Economic Education

Legislative Auditor's Office  
Steve Theriot  
1600 North 3<sup>rd</sup> St.  
Baton Rouge, LA 70802

Re: Funding

8 October 2007

Dear Mr. Theriot:

I have recently been appointed as the interim President of The Louisiana Council for Economic Education (LCEE) and I am writing to you today on behalf of LCEE's Board of Directors and staff to fully apprise you of our current circumstances and resolve our situation.

The Louisiana Council for Economic Education is a small non-profit organization that receives \$74,437.00 from a grant allocated by the Department of Economic Development. Our organization exists to provide workshops and curriculum to teachers across Louisiana so that they might be better equipped to teach financial literacy concepts to their students. In late November 2004 LCEE welcomed a new President/CEO, Ms. Sheri Lazare, to the Council and placed the operation of the program under her care and direction. In 2005 we were devastated when Hurricane Katrina wiped out our computer systems and financial records. A compilation was however submitted for 2004-05 once our records were reconstructed. LCEE's Board has recently discovered that since the time of the completion of the 2004-05 compilation, Sheri Lazare, contrary to the Board's direction and LCEE's by-laws, neglected to engage a CPA or file requisite tax returns! As a result of these negligent actions, LCEE's Executive Committee has taken swift action and Sheri Lazare has been terminated as President/CEO.

In my capacity as interim President I am charged with returning the Louisiana Council for Economic Education to a strong and sound economic status and have additionally been tasked to bring the Council into full compliance in all matters.

Toward those goals, I have engaged the service of a qualified and state-approved C.P.A. (Terence Bradford) and the office of the Legislative Auditor has accepted those engagement letters for the years 2005-06 and 2006-07. I have impressed upon our C.P.A. the need for timely completion of the compilations and the 2005-06 summary is already underway, as I

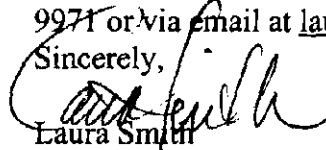
\* ex-officio member

have previously discussed with Suzanne Elliott, Sudha Rawal and Joy Irwin.

The Louisiana Council for Economic Education has a very dedicated Board of Directors who are doing all they can to turn the organization right side up. Our mission is an obtainable and important one – we have the opportunity to shape the lives of young people well into the future. We recognize that we have an extremely desperate situation where one person's actions and negligent inactions have the potential to negatively impact the course of many young lives. The need for economic education among the school children of Louisiana is unquestioned: the ability to promote that education is what is at risk.

Please feel free to contact me with any inquiries you may have at 225/751-9977 or via email at [laurasmith1@bellsouth.net](mailto:laurasmith1@bellsouth.net)

Sincerely,



Laura Smith

Interim President

The Louisiana Council for Economic Education

**LOUISIANA COUNCIL FOR ECONOMIC EDUCATION**

**INDEPENDENT ACCOUNTANT'S REPORT**

**ON**

**APPLYING AGREED-UPON PROCEDURES**

**FOR THE YEAR ENDED June 30, 2006**

**TERENCE P. BRADFORD, SR.**

**CERTIFIED PUBLIC ACCOUNTANT**



**TERENCE P. BRADFORD, Sr.**

**Masters of Business Administration, Certified Public Accountant**

**1409 South Lamar St. Apt.201**

**Dallas, Tx. 75215 Phone: (214) 421-3471 Email: TBradCPA@msn.com**

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

To the Board of Directors of the Louisiana Council For Economic Education

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Louisiana Council For Economic Education (LCEE), the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about LCEE's compliance with certain laws and regulations during the year ended June 30, 2006 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

***Federal, State, and Local Awards***

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Louisiana Council For Economic Education State award expenditures for all Federal programs for the fiscal year follow:

State Grantor/ Grant Name	Grant Year	CFDA No.	Amount
<u>Department of Economic Development:</u>			
<u>Economic Education Grant</u>	2006	N/A	\$74,437
Total Expenditures			\$74,437

2. For each Federal, state, and local award, we randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.
3. For the items selected in procedure 2, we traced the six disbursements to supporting documentation as to proper amount and payee.

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the six disbursements were properly coded to the correct fund and general ledger account.

All six transactions selected for testing were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the six disbursements received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the accountant and the chairman of the board. In addition, each of the disbursements were traced to LCEE's minute book where they were approved by the treasurer and executive director.

#### ***6.State Awards***

I reviewed the disbursements selected in procedures 2 noting compliance with the grant agreement relating to activities allowed or unallowed, eligibility and reporting.

LCEE did not comply with state law which requires that the compilation/attestation report to be filed within six months of the close of the fiscal year.

#### ***Meetings***

7. LCEE did post agendas for meetings recorded in the minute book and were posted as required in the open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

LCEE sent notices of each meeting via fax and e mail to all executive committee and board of directors and the accompanying agenda, minutes and current financial statements. In addition, agenda's for meetings, as they relate to public funds, must be advertised.

### ***Comprehensive Budget***

8. For all grants exceeding five thousand dollars, I determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

LCEE provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

### ***Prior Comments and Recommendations***

9. All prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of LCEE, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Terence P. Bradford, Sr.

CERTIFIED PUBLIC ACCOUNTANT

October 19, 2007

*Terence P. Bradford, Sr., CPA*